



CEO POLICY AGENDA FOR PHILADELPHIA



2023



Office of
Community Empowerment and Opportunity
CITY OF PHILADELPHIA



ABOUT US

The Office of Community Empowerment and Opportunity (CEO) provides leadership on issues of economic justice to advance racial equity and inclusive growth so that all Philadelphians might share in the city's prosperous future. CEO is a proud member of the National Community Action Partnership (NCAP) and the Community Action Association of Pennsylvania (CAAP)



COMMUNITY ACTION

CEO serves as the Community Action Agency (CAA) for the city and county of Philadelphia. As a CAA, CEO administers Community Services Block Grant (CSBG) funds in support of the agency's mission to promote economic mobility for Philadelphia residents by advancing racial equity and economic inclusion. The Community Action Program was created by the 1964 Economic Opportunity Act as a means to fight against poverty. Its mission is to help families and individuals with low incomes gain self-sufficiency and mobility out of poverty. At CEO, we go beyond addressing the symptoms of poverty by advocating for more just and fair policies.

 Office of
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CITY OF PHILADELPHIA

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LETTER FROM THE EXECUTIVE DIRECTOR

I'm pleased to share with you CEO's first public policy agenda. As Philadelphia's designated Community Action Agency, CEO has always engaged in conversations to advance policy. Recently, we contributed to the development of the [public policy priorities](#) from the National Community Action Partnership as well as [Together We Thrive](#), the report and policy agenda for the City of Philadelphia's Health and Human Services cabinet under which CEO operates. As we prepare for a new mayor who will take office in January 2024, it became clear that we needed to articulate CEO's vision for meaningful progress in reducing poverty and achieving a more equitable and prosperous Philadelphia.

A strong city requires that every resident has **Stability**. CEO invests in the BenePhilly program to connect economically insecure residents to public benefits to ensure their basic needs are met. But we also must break down bureaucracy that denies households the necessary medical care, food, housing, and utilities.

CEO is focused on advancing economic **Mobility** through our Youth Strategies and Work Ready programs that connect youth and adults to employment opportunities to grow their earning potential and increase the city's tax base. Yet low wages, unfair fines and fees, and neighborhood disinvestment block people from moving up the economic ladder. We can fix that by investing more in programs that we know work.

Every Philadelphian deserves **Prosperity**. CEO advances prosperity through our Financial Empowerment Centers and by ensuring Philadelphians get the federal tax credits for which they are eligible, but lack of adequate investment in children, families, and individuals, as well as bad actors who target marginalized communities with scams and rip-offs, deny far too many of our neighbors that dream of a prosperous future. By holding scammers accountable and expanding programs to build renter equity, we can help more people build wealth and keep it.

CEO will advance these policies through advocacy with our representatives in Harrisburg and Washington D.C. We'll also collaborate with our colleagues across city government in Philadelphia to implement new ideas. CEO will continue aligning our investments through contracting and grants to support these efforts. And we'll grow our partnerships with community stakeholders and individuals most deeply affected by the problems and solutions described in the pages following.

We'd love for you to join us. Sign up for our email alerts to get notices about ways you can get involved. Follow us on social media for shareable infographics, conversations, and more about advancing these policies.

Mitch Little
CEO Executive Director

ICON GUIDE

These icons appear throughout the report to indicate the goals of each policy:



STABILITY

Every Philadelphian deserves to live in dignity with stable, secure lives and their basic needs met. Stability includes a safe affordable home and utilities, healthy food and medical care to sustain life, and income to afford life's necessities when earnings from work are not adequate or not available due to age, disability, or barriers to opportunity. CEO seeks to advance policies and strengthen programs that ensure Philadelphians' basic needs are met so they can pursue mobility and prosperity.



MOBILITY

Generations of Philadelphians have lived in poverty due to policies that created vast inequality, particularly for Black and brown Philadelphians. Policies rooted in racism and white supremacy denied them quality education and jobs that pay family-sustaining wages. These policies also trapped them in a punishing criminal legal system far too difficult to escape, and in segregated neighborhoods devastated by decades of redlining and neglect, leading to dangerous living conditions and diminished quality of life. CEO supports policies and programs that provide educational and economic opportunities for youth and adults, eliminating fines and fees in the criminal legal system that are barriers to successful re-entry, and place-based initiatives that invest in neighborhood quality of life.



PROSPERITY

An equitable Philadelphia is one in which every resident can share in its prosperity by building household wealth to withstand emergencies, equity to invest in education or entrepreneurship, and assets that can be left to the next generation. CEO engages in advocacy to use the tax code to correct inequalities, supports wealth-building opportunities, financial empowerment, and consumer protection to give Philadelphians the tools and protections to build and safeguard their wealth.



SUMMARY

P.06

MAKE PUBLIC BENEFITS MORE ACCESSIBLE

- Allow more auto-enrollment, auto-recertification, and cross-enrollment for local, state, and federal benefits
- Reduce the "benefits cliff" to encourage upward mobility
- Strengthen language access for benefits applications and support



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ENSURE UNIVERSAL ACCESS TO UTILITIES YEAR-ROUND

- Protect the most vulnerable from water shut-offs
- Make LIHWAP permanent
- Boost LIHEAP funding to increase income eligibility and support year-round assistance to address cooling needs

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CREATE HOUSING SECURITY FOR ALL

- Boost flexible rental assistance through HUD and PHARE
- Continue and expand Right to Counsel
- Adopt eviction record-sealing policies
- Strengthen housing opportunities for people in re-entry

P.18

ADDRESS SOCIAL DETERMINANTS OF HEALTH (SDOH)

- Seek a Medicaid Section 1115 waiver to incentivize managed care organizations (MCOs) to address SDOH
- Support the backbone needs of MCOs, CBOs/CAAs to form effective partnerships to address SDOH
- Facilitate patient-focused data-sharing agreements

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GROW INCOME ASSISTANCE AND IMPROVE ACCESS TO HIGHER-PAYING JOBS

- Strengthen TANF through increasing grants and other reforms
- Raise the Pennsylvania and federal minimum wage to at least \$15/hour
- Help Philadelphia school students successfully meet revised state graduation requirements
- Expand flexible cash assistance programs

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EXPAND THE CHILD TAX CREDIT AND EARNED INCOME TAX CREDIT AND ELIMINATE BARRIERS TO FILING

- Make the 2021 expanded Child Tax Credit and Earned Income Tax Credit permanent
- Provide a digital filing tool to ensure universal free filing access
- Boost funding for Volunteer Income Tax Assistance Providers (VITA)



P.30

ELIMINATE OR REDUCE BURDENSOME FINES AND FEES

- Eliminate fines and fees assessed by courts in the criminal-legal system for those who are unable to pay
- Eliminate consideration of balance of fines and fees in pardon requests
- Ease the burden of criminal court debt for the criminal-legal system-involved

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PROTECT CONSUMERS FROM ABUSIVE PRACTICES AND GROW OPPORTUNITIES FOR FINANCIAL EMPOWERMENT

- Reduce the number of people receiving debt collection judgments and reform Municipal Court processes
- Grow financial counseling
- Provide free credit freeze, monitoring, affordable banking options, and financial counseling services for people entering incarceration and upon return to the community
- Cancel student loan debt and reform repayment rules
- Increase opportunities for renters to build equity

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STRENGTHEN COMMUNITY DEVELOPMENT AND COMMUNITY ACTION

- Improve neighborhood conditions by enhancing support for Promise Zones
- Pass the Community Service Block Grant Modernization Act
- Increase funding for the Community Development Block Grant program

MAKE PUBLIC BENEFITS ACCESSIBLE

THE PROBLEM

Local, state, and federal benefits provide opportunities to create stability that individuals and families need to achieve upward mobility. But accessing benefits such as for food or utility assistance, medical care, cash assistance, or other benefits amounts to a time tax on low-income residents who must navigate bureaucratic hurdles to get enrolled and stay enrolled. Applications can be confusing and overwhelming, and annual renewal certification procedures lead very vulnerable individuals to be removed from the rolls. Income eligibility rules vary program by program and typically make applicants just pennies over the limits ineligible no matter how significant their need. Identification and documentation rules can exclude our most vulnerable residents, including those who have experienced significant trauma such as domestic abuse, floods or fires, and homelessness. Language access remains inconsistent, both in the availability of application forms in a variety of languages, as well as staff that can assist or answer questions in multiple languages

CEO BELIEVES

Government should make it easy and convenient for individuals and households to receive the public benefits for which they are eligible.



SOLUTIONS

1. ALLOW MORE AUTO-ENROLLMENT, AUTO-RECERTIFICATION, AND CROSS-ENROLLMENT FOR LOCAL, STATE, AND FEDERAL BENEFITS (CITY, STATE, FEDERAL)



Most benefits programs require that residents submit applications to enroll, requiring significant outreach and education, as well as help navigating application processes. More jurisdictions, including Philadelphia, are exploring and implementing automatic enrollment or cross-enrollment in benefits programs using data about its residents and their eligibility. Philadelphia, the Commonwealth, and the federal government should continue to pursue auto or cross-enrollment in local programs where feasible, auto-recertification to keep people enrolled, as well as data-sharing agreements with each other to make this work feasible.

Federal guidelines should be updated to allow states to regularly auto-renew residents in benefits programs, similar to what occurred during the COVID pandemic. Annual renewals could be eliminated for households whose income is unlikely to increase such as seniors. Low-income residents could be renewed by simple postcard, text, and email asking them to affirm they still wish to receive the benefit, only prompting the need for additional documentation if their situation has changed significantly.



2. REDUCE THE "BENEFITS CLIFF" TO ENCOURAGE UPWARD MOBILITY (CITY, STATE, FEDERAL)



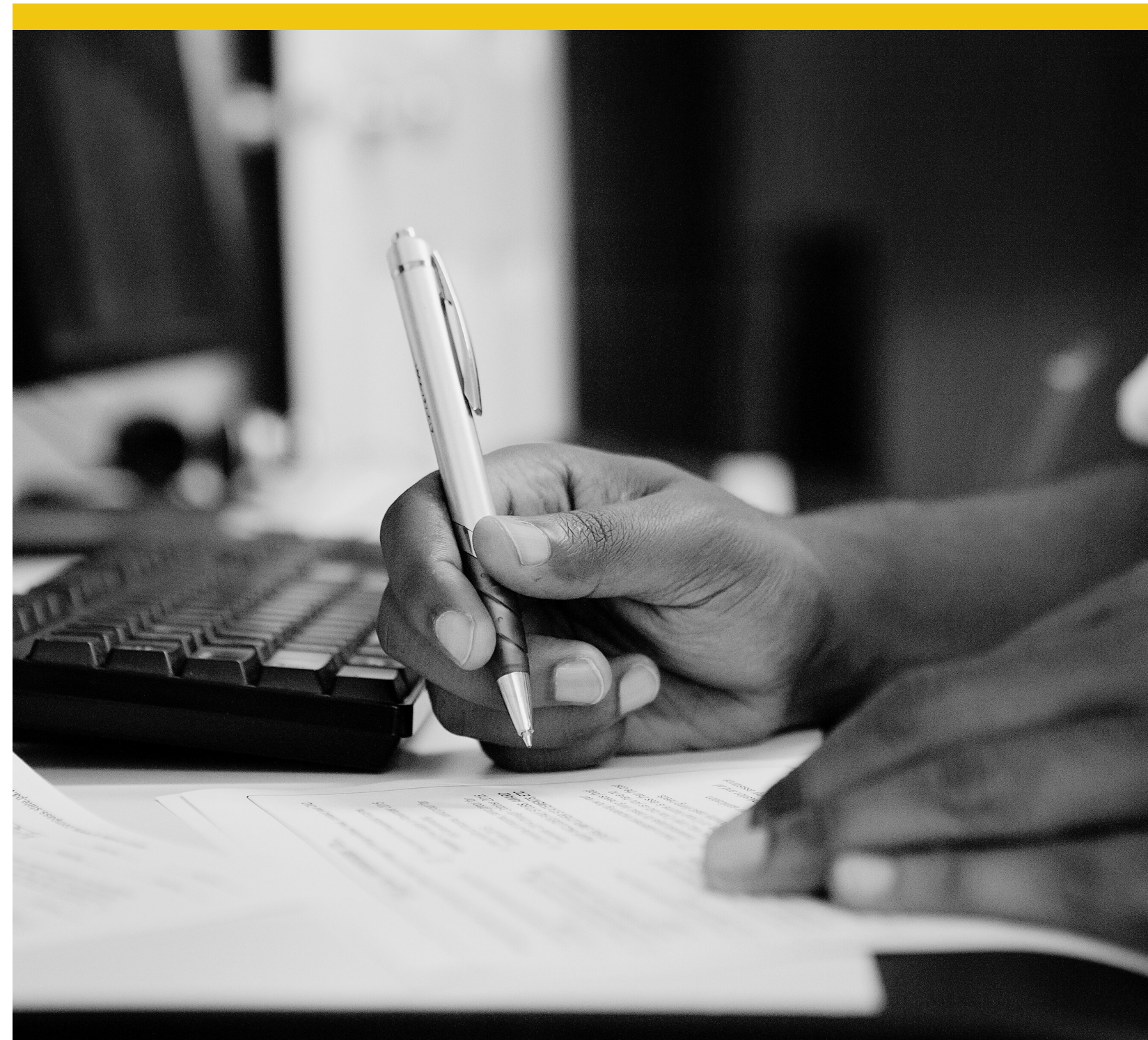
Applicants that are just pennies over income limits for benefits programs are disqualified, no matter how great their need. Not only does this deny residents access to benefits and services that could significantly improve their quality of life and opportunity for upward mobility, but it also creates a negative incentive to earn or work for fear that an increase in income will cost them more in lost benefits. Flat income limits also fail to consider residents' debt-to-income ratio, which also leads to exclusion of households that have significant credit card or student loan debt.

Benefits programs should be structured to stagger income eligibility so as not to catch households in the benefits cliff. For example, programs should allow for full benefits up to 200% federal poverty level (FPL) then stagger the value of the benefit for households that exceed that income. Programs that are specifically designed to support upward mobility may be designed to allow a grace period if a resident's income increases beyond program eligibility before they are terminated, allowing transition time for benefits that are critical to family stability. Making more residents who are saddled with consumer debt eligible for programs based on their debt-to-income ratio would also expand access.

3. STRENGTHEN LANGUAGE ACCESS FOR BENEFITS APPLICATIONS AND SUPPORT (CITY, STATE, FEDERAL)



Philadelphians speak more than 180 languages, but most applications for public benefits are only available in English and increasingly Spanish. Pennsylvania and Philadelphia should invest more resources in hiring benefits counselors and navigators that are fluent in languages other than English to provide telephonic, virtual, or in-person assistance to clients in their language of choice. Public communications from federal, state, and city agencies about benefits—including notice of renewals, changes to deadlines or rules—should be provided in multiple languages.



ENSURE UNIVERSAL ACCESS TO UTILITIES YEAR-ROUND



THE PROBLEM

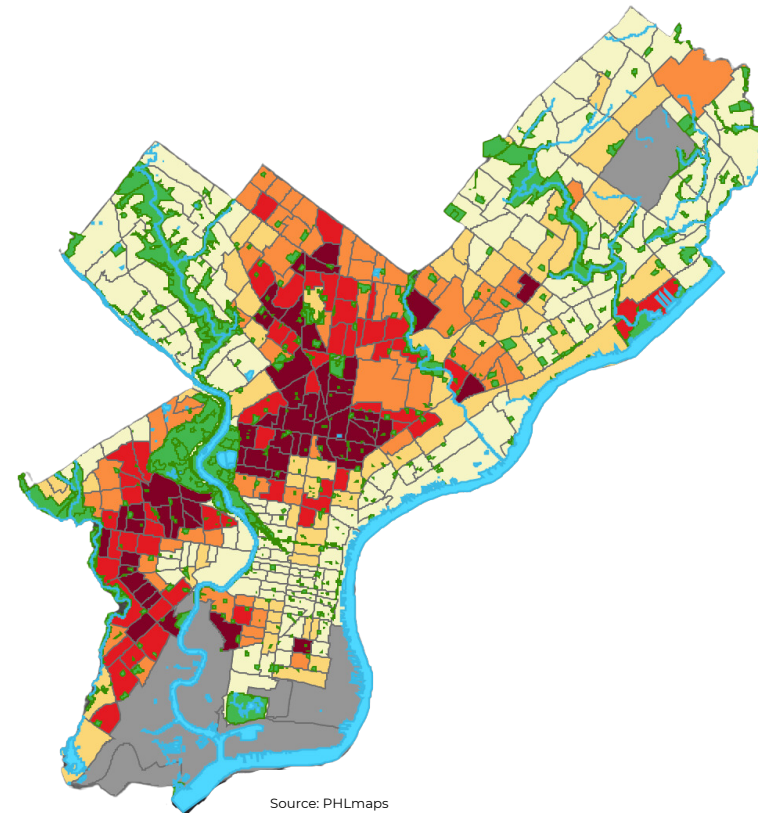
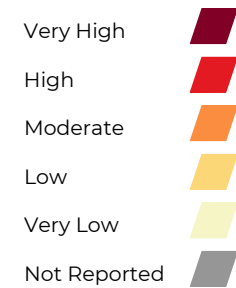
Heating in the winter, cooling in the summer, and water year-round, are necessary to sustain life. Our lowest income neighbors can lose access to utilities due to shut-offs caused by inability to pay, and amass overwhelming amounts of utility debt. In the summer, inability to afford air conditioning and related energy bills forces residents to suffer during extreme temperatures that are all too common due to global warming and cause heat-related deaths.

A recent study showed that some of the poorest neighborhoods in Philadelphia without tree cover can be 22 degrees hotter than wealthier neighborhoods that are greener, thereby driving higher cooling and utility bills. Without water, residents can't bathe or launder clothes to go to work or school without facing stigma, can't properly wash their hands to prevent the spread of disease, and can end up paying more when they lose water service by purchasing gallons of store-bought water. Philadelphia has made important strides in water utility security through the creation of the Tiered Assistance Program (TAP) and by adopting new policies to prevent shut-offs for certain vulnerable households, but more must be done to improve access to affordable water and temperature control year-round.

CEO BELIEVES

Access to life-sustaining utilities 12 months a year must be supported by policies and funding from local, state, and federal governments.

PHILADELPHIA HEAT VULNERABILITY SCORE



Source: PHLmaps

SOLUTIONS

1. PROTECT THE MOST VULNERABLE FROM WATER SHUT-OFFS (STATE, CITY)



State law prohibits disconnecting heat-providing utilities during winter months due to the risk of hypothermia that residents might suffer in their homes. No state law currently exists to limit water shut-offs, despite the risk to life and health when water is not available in a home, and the Pa. Public Utility Commission does not regulate water utilities. The Pa. Legislature should consider policies that prohibit water shut-offs when doing so could endanger a person's life or health. The Philadelphia Water Department has led in this area by creating its own no-shut-off policy for many vulnerable households, including tenants, households with children, seniors, and persons with disabilities, which could become a model for state legislation.

2. MAKE LIHWAP PERMANENT (FEDERAL)

The Low-Income Household Water Assistance Program (LIHWAP) provided one-time federal funding to states to create grant programs for those whose water was shut-off, or at risk of shut-off, during the COVID pandemic. About 7,611 Philadelphia water customers received more than \$13.6 million toward their past-due water balance. Congress should make LIHWAP permanent to ensure that low-income households have access to water year-round to maintain sanitary conditions and stay hydrated.

\$13.6M

total LIHWAP grants received by Philadelphia water customers in 2022



3. BOOST LIHEAP FUNDING TO INCREASE INCOME ELIGIBILITY AND SUPPORT YEAR-ROUND ASSISTANCE TO ADDRESS COOLING NEEDS (FEDERAL, STATE)

The Low-Income Home Energy Assistance Program (LIHEAP) provides grants to low-income households to keep their homes warm during winter months when lack of energy could lead to serious health consequences including hypothermia. Maximum income eligibility for the program remains at 150% of FPL or only \$27,465 for a 2-person household. Congress should increase the income limit and available funding to support households at 200% FPL in light of rising housing costs. The Pa. General Assembly should also provide additional funding to LIHEAP to allow the program to make higher grants due to rising energy costs, as well as provide cooling cost assistance as dangerously high temperatures exacerbated by global warming puts vulnerable residents' health and lives at risk.



CREATE HOUSING SECURITY FOR ALL

THE PROBLEM

Housing is fundamental to achieving stability, mobility, and prosperity. Without a safe, affordable, stable place to call home, Philadelphians struggle to maintain employment, children have poorer educational outcomes, and physical and mental health is negatively impacted. Housing cost burdens make it difficult to afford other critical household expenses like groceries, childcare, and transportation. Housing costs are rising faster than wages in Philadelphia, making it increasingly unaffordable for lower income households. This pushes them to poorer quality housing, creates housing cost burdens, and leads to housing instability, as well as homelessness.

CEO BELIEVES

Housing is a human right, and that local, state, and federal policies and funding must prioritize a safe, quality, stable home for everyone.



SOLUTIONS

1. BOOST FLEXIBLE RENTAL ASSISTANCE THROUGH HUD AND PHARE (STATE, FEDERAL)



Congress and the Pennsylvania General Assembly should significantly expand resources for flexible rental assistance and public housing to help lower income households avoid homelessness, displacement, and improve the quality of their housing choices. Annual public housing appropriations of \$32 billion would grow the number of Housing Choice Vouchers to serve an additional 200,000 households. The Pennsylvania Housing Affordability and Rehabilitation Enhancement fund (PHARE) should be boosted to at least \$100 million each year, with a portion set aside for flexible rental assistance. Rental assistance for tenants seeking housing in the private rental market will also help provide economic stability and mobility to very small landlords (who own 1 - 4 units), which own most of the rental units in Philadelphia.





2. CONTINUE AND EXPAND RIGHT TO COUNSEL (CITY)

Renters facing eviction have a much better chance at avoiding homelessness or a disruptive displacement if they have an attorney on their side, like most landlords do when they appear in court. Philadelphia launched a pilot Right to Counsel program in 2022 that now covers four zip codes (19121, 19134, 19139, 19144), with funding included in the current five-year plan to expand citywide. This program should be continued as a critical point of the eviction prevention continuum in keeping tenants safely and stably housed.

3. ADOPT EVICTION RECORD-SEALING POLICIES (STATE)

No process currently exists for a tenant to clear an eviction from their records even if the tenant was found not at fault, the eviction did not occur, or there is faulty information in the filing. Prospective landlords frequently deny applications for those with an eviction filing on their records, which leads to housing instability. The lack of process to remove or seal an eviction from a tenant's record also complicates eviction diversion programs like Philadelphia's, which was launched during the COVID-19 pandemic. This program has helped thousands of tenants and landlords reach mutual agreements that avoids eviction, but if such agreements are reached after the eviction is filed, the tenant is still penalized. The Pa. Legislature should create an eviction record sealing policy that protects tenants, such as if no judgement was entered, if information is faulty, after an appropriate number of years passes, or other conditions.

4. STRENGTHEN HOUSING OPPORTUNITIES FOR PEOPLE IN RE-ENTRY (CITY, STATE & FEDERAL)

When individuals returning from incarceration lack stable, safe, affordable housing, they are at much greater risk of recidivism, homelessness, poor physical and mental health outcomes, and inability to find work. Stable housing creates a more successful environment for reintegration, which strengthens community safety and provides a path to upward mobility for Philadelphians with a history of incarceration. While Philadelphia invests in several programs for individuals returning from incarceration and who have other significant mental or physical health challenges, the need far outstrips the available resources. The state and federal government should provide more resources for local governments to make significant investments in housing support for people returning from incarceration, and the City should explore more local resources as well as coordination of various re-entry partners and programs to more successfully connect residents with housing supports.



ADDRESS SOCIAL DETERMINANTS OF HEALTH (SDOH)

THE PROBLEM

Health care experts increasingly recognize that the quality of a patient's health has more to do with the environments in which they work and live than what happens inside the doctor's office. Patients that live in unsafe housing are more likely to suffer injury from trips and falls, and poor housing quality can cause or worsen respiratory or other illnesses. Living unsheltered and homeless exposes individuals to unsanitary conditions that can damage their health and wellness. Lack of access to food, the stress of living in a neighborhood with high crime, and lacking economic opportunities can lead to poor health outcomes and make it difficult to recover from or manage illness.

Improving health outcomes requires addressing these and other Social Determinants of Health (SDoH) in community settings as complimentary to clinical settings. Policy and funding changes to the way the U.S. provides health care would allow medical providers, managed care organizations, local government, and community organizations to partner together to address SDoH for patients, including unlocking health care funding to cover non-clinical interventions—like housing and food access—to improve patient health.



CEO BELIEVES

The conditions of your neighborhood, your income level, or your race/ethnicity should not determine your health outcomes, and policies and funding should support a holistic approach to health care that includes addressing Social Determinants of Health.

SOLUTIONS

- 1. SEEK A MEDICAID SECTION 1115 WAIVER TO INCENTIVIZE MANAGED CARE ORGANIZATIONS (MCOs) TO ADDRESS SDOH (STATE)**



States including Delaware, Florida, Hawaii, Massachusetts, New Mexico, North Carolina, Illinois, Oregon, Rhode Island, and Utah each have secured Sec. 1115 waivers from the federal government. The demonstration projects allow MCOs to reimburse for housing support, food assistance, case management, transportation, employment support, and other services. A Pa. waiver could help Community Action Agencies (CAAs) and other community-based organizations (CBOs) partner with MCOs to create formal partnerships to help patients get access to the services and supports they need to heal, recover, and be healthy. The Shapiro Administration should engage local governments, including Philadelphia, in crafting a Sec. 1115 waiver application so it is informed by local concerns and best practices.





2. SUPPORT THE BACKBONE NEEDS OF MCOS, CBOS/CAAS TO FORM EFFECTIVE PARTNERSHIPS TO ADDRESS SDOH (FEDERAL)



Federal funds are needed to build and support the backbone infrastructure to help MCOs and CBOs/CAAs create formal partnerships to address the SDoH of patients. This includes developing the technology to facilitate patient referrals, follow-ups, benefits screenings, and coordination. It also includes training of staff from CBOs/CAAs on patient privacy including HIPAA rules and cybersecurity of health information to protect patient privacy when social support services are offered outside of the medical provider setting.



3. FACILITATE PATIENT-FOCUSED DATA SHARING AGREEMENTS (FEDERAL)



Government, health care, and community organizations need to share patient data to effectively outreach, serve, and support patients. But data privacy rules often prevent the sharing of information—such as whether a patient is eligible for public benefits including food or utility assistance—even if doing so would improve quality of life and health for patients. Federal and state governments should work with MCOs, CBOs/CAAs, and patient advocates to craft data-sharing agreements that protect a patient's privacy and value their autonomy, but also allow for effective care of patients and access to benefits and other resources.

GROW INCOME ASSISTANCE AND IMPROVE ACCESS TO HIGHER-PAYING JOBS



THE PROBLEM

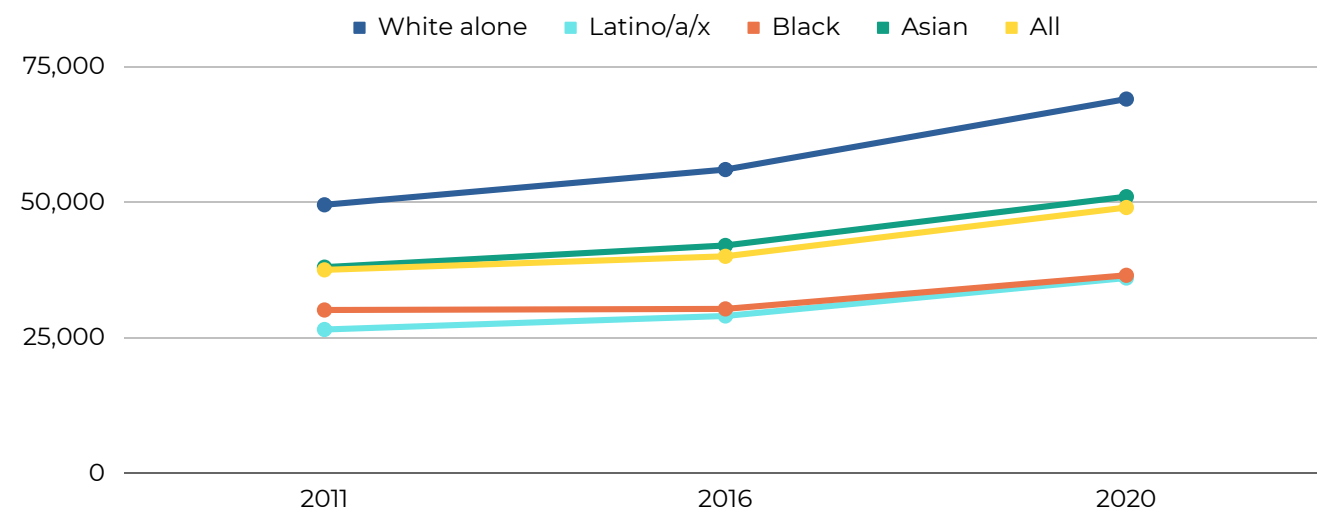
Racial economic inequality in the U.S. is stark: On average, Black households earn 61 cents and Hispanic households earn 74 cents for every \$1 white households earn. Wage disparity by race exists at every level of education. Low-paying jobs without opportunity for growth or advancement are the only option for far too many Philadelphians, and many workers in hourly positions or that do gig-work pick up two, three, four or more jobs just to make ends meet, requiring an unsustainable number of work hours and leaving less time for parents to take care of their children. The stress of not having enough income to cover basic needs can lead to poor physical and mental health outcomes.

CEO BELIEVES

We must grow income and flexible sources of cash to stabilize Philadelphians' basic household needs so they can focus on opportunities for mobility, such as education, training, or entrepreneurship.

MEDIAN HOUSEHOLD INCOME BY RACE/ETHNICITY IN PHILADELPHIA

The racial wealth gap is persistent in Philadelphia. In 2020, Black households made 75% of the median income, and Latino/a/x households made 73%, while white households made 140%.



Source: American Community Survey, 5-Year Estimates

SOLUTIONS

1. STRENGTHEN TANF THROUGH INCREASING GRANTS AND OTHER REFORMS (STATE)



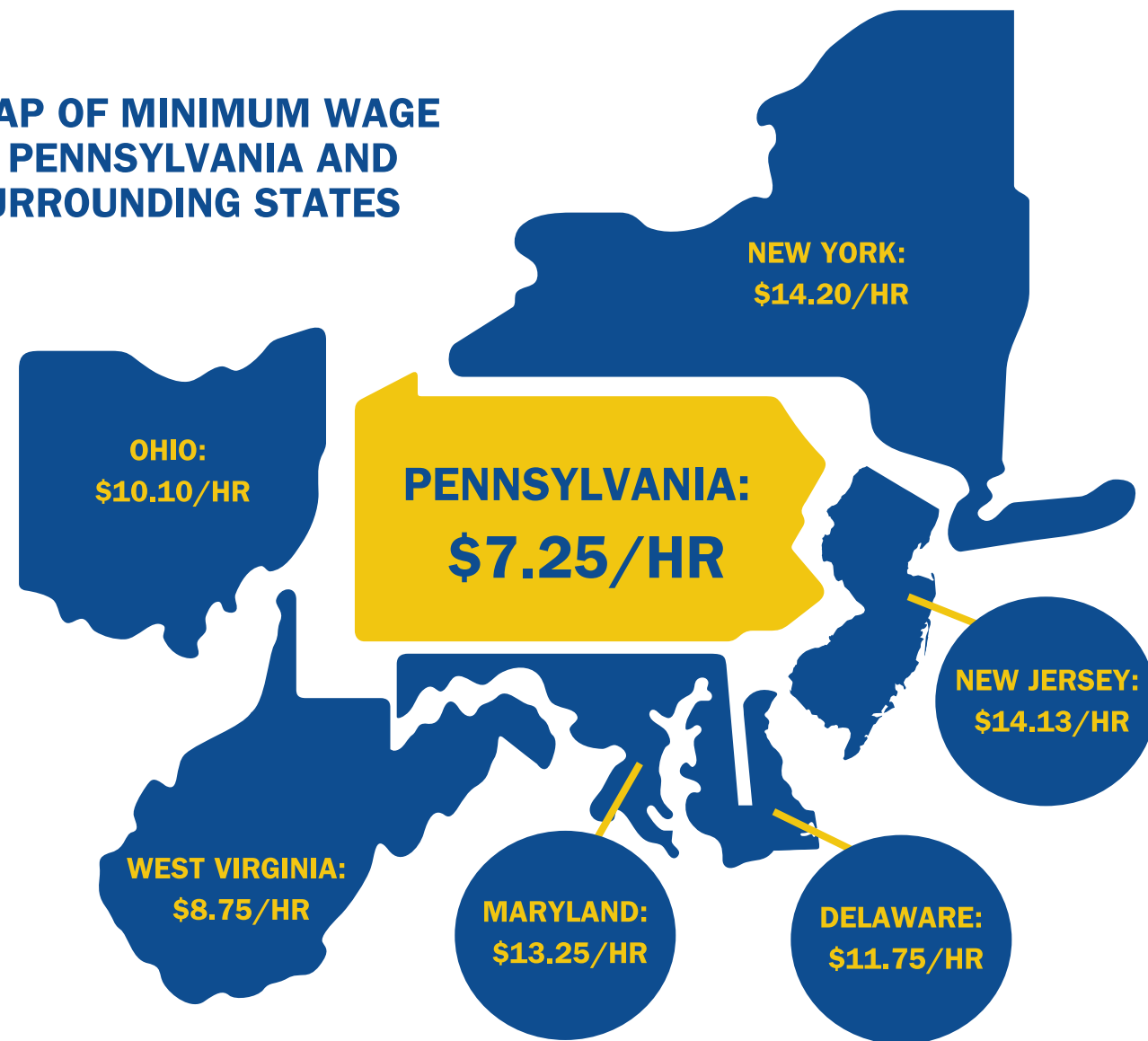
Temporary Assistance for Needy Families (TANF) provides temporary monthly cash assistance to qualifying households to help them afford basic needs while also seeking employment or in job training programs, such as through the Work Ready program. But the amount of the benefit hasn't changed since 1990. A typical 3-person Philadelphia household enrolled in TANF receives only \$403/month. TANF grants should be increased to a minimum of 50% FPL, or about \$916/month for a family of 3. Rules that require that TANF receiving households sue parents for child support should contain more exceptions in cases where such legal action could disrupt family relationships and cause long-term damage to the children. The current limit on \$1,000 in savings for TANF families should also be increased to encourage recipients to save for emergencies or for better housing (such as first, last, and security deposit) that may be necessary for successful upward mobility. Income that is earned by TANF participants while they are enrolled in a Work Ready program should be disregarded for the purposes of determining their eligible TANF grant amount, and the limits on transportation allowances for Work Ready participants should be revisited.

2. RAISE THE PENNSYLVANIA AND FEDERAL MINIMUM WAGE TO AT LEAST \$15/HOUR (STATE AND FEDERAL)



The minimum wage in Pennsylvania is \$7.25 an hour, the same as the federal minimum wage. All Pennsylvania bordering states have a higher minimum wage, including Ohio (\$10.10), New Jersey (\$14.13), New York (\$14.20), and West Virginia (\$8.75), placing Pa. at a competitive disadvantage. A single adult with no children working full-time must earn \$17.53 per hour to earn a living wage in Pennsylvania, yet our minimum wage is less than half that. This forces workers to work two, three, or more jobs just to afford basic needs and puts them at great risk of eviction and homelessness, food insecurity, and other catastrophes due to a lack of savings. Pennsylvania and the federal government should increase the minimum wage to at least \$15 an hour and set automatic increases periodically based on inflation.

MAP OF MINIMUM WAGE IN PENNSYLVANIA AND SURROUNDING STATES



Source: <https://www.dol.gov/agencies/whd/minimum-wage/state>

3. HELP PHILADELPHIA SCHOOL STUDENTS SUCCESSFULLY MEET REVISED STATE GRADUATION REQUIREMENTS (CITY)



Revised state graduation requirements allow Pa. high school students the opportunity to demonstrate their readiness for graduation through several “pathways” beginning with the class of 2023. Pathway activities include internships, jobs, industry certifications, or service-learning opportunities, in addition to various academic accomplishments. Meaningful career exploration opportunities help students determine their goals post-high school and support Philadelphia’s talent development strategies.

To implement these new graduation requirements, additional support is needed at the school level – especially for those serving students from high-poverty areas. Schools need support and partners to establish and maintain employer-driven work-based learning opportunities for high school youth, offer career credentials and ensure equitable access to dual enrollment courses.

The City should continue its collaborative work with the School District of Philadelphia, Philadelphia Works, and local charter schools to create a seamless system of career pathway opportunities for our city’s youth, including local municipal employment.



4. EXPAND FLEXIBLE CASH ASSISTANCE PROGRAMS (CITY, STATE, FEDERAL)



Mayor Kenney joined Mayors for a Guaranteed Income (MGI) to be part of a growing network of cities that recognize the powerful impact that direct, recurring cash payments can have in providing upward mobility opportunities for residents. Philadelphia recently launched several pilot programs offering cash assistance, including a CEO project with E-TANF recipients, a project with the Philadelphia Housing Development Corporation (PHDC) with households on waitlists with the Philadelphia Housing Authority, and the Philly Joy Bank with pregnant Philadelphians. Other projects are currently in the planning and development stage. Federal and state policymakers should continue to encourage local governments and community-based organizations to explore these programs, expand their reach, and evaluate their impact on upward mobility. Learnings from these projects can lead to innovations in anti-poverty programs and benefits access policies. Federal and state guidelines should not count as income the temporary cash assistance individuals or families receive associated with these pilot programs for tax or benefits eligibility purposes.

EXPAND THE CHILD TAX CREDIT AND EARNED INCOME TAX CREDIT AND ELIMINATE BARRIERS TO FILING

THE PROBLEM

Federal tax policy is a powerful tool to address income inequality by providing refunds to low-income households and low-wage earners that can stabilize households' basic needs, provide opportunities to invest in activities that could lead to mobility such as education or entrepreneurship, and build prosperity such as down payments on a home.

CEO BELIEVES

The U.S. should adopt progressive tax policies that benefit the lowest income households and provide easy access to tax filing.

SOLUTIONS

1. MAKE THE 2021 EXPANDED CHILD TAX CREDIT AND EARNED INCOME TAX CREDIT PERMANENT (FEDERAL)



The expanded Child Tax Credit and Earned Income Tax Credit that were in place for the 2021 tax year were significant poverty-fighting tools that put cash back into the pockets of families with children and lower-wage workers to help them afford basic needs, save for emergencies, or invest in wealth-building opportunities like education, housing, or entrepreneurship. The enhanced CTC reduced child poverty by 46% in the U.S. The CTC also advanced racial equity in the tax code by making the credit fully refundable to households earning as little as \$0, increasing the amount of the credit per child to a maximum of \$3,600, making mixed immigration status families eligible as long as the child had a Social Security Number (SSN), and sending automatic monthly advance payments to all that were eligible. The expanded EITC made younger workers and workers over 65 eligible for the first time. It also increased the EITC refund for workers without children. Congress should make the 2021 versions of the CTC and EITC permanent and invest in outreach and engagement strategies to ensure all taxpayers receive the credits for which they are eligible.



46%

The amount the CTC reduced child poverty in the US in 2022

2. PROVIDE A DIGITAL FILING TOOL TO ENSURE UNIVERSAL FREE FILING ACCESS (FEDERAL)



Taxpayers cannot file even the most basic tax return directly with the IRS unless it is done on paper. Instead, they must use software or tax prep services created by third parties, some of which are free for households under a certain income, but often push add-on charges for “deluxe” services. While private and paid tax preparers and their software applications may be a good option for some households—and VITA providers fill an important role in serving low-income households—the IRS should ensure universal accessibility to free filing by maintaining a digital filing tool on its website, as well as simplified filing portals for very low-income households that may earn under the threshold for filing requirements but are eligible for EITC and CTC. The IRS announced in May 2023 that it intends to offer a pilot program for on-line direct filing for some taxpayers in 2024, which should proceed and expand for all taxpayers. Congress should resist any efforts by paid tax preparation firms to block this effort.



3. BOOST FUNDING FOR VOLUNTEER INCOME TAX ASSISTANCE PROVIDERS (VITA) (FEDERAL)



Tax refunds can make up the equivalent of three months' pay for low- and moderate-income households, but can be eaten up by costly tax prep fees from commercial providers that can average \$273 per return. Nationally, VITA sites generated more than \$1.8 billion in refunds to low- and moderate-income households by preparing 1,030,000 tax returns in 2022, including through a strong network of VITA providers in Philadelphia. Congress should boost funding for the VITA program to \$45 million so that VITA providers can expand and serve more households.

ELIMINATE OR REDUCE BURDENSOME FINES AND FEES



THE PROBLEM

Cities, counties, and states have created a dizzying array of fines and fees to collect revenue, particularly in the criminal legal system, which disproportionately affects Black and brown people. Local governments collected over \$9 billion in fines and fees in 2020, including more than \$202 million in Pennsylvania alone. These fines and fees, which are often assessed regardless of an individual's ability to pay, strip income from people already struggling to make ends meet, can trap people in debt that compounds over time, and can affect their credit scores and their ability to be hired, rent a home, or access credit to purchase a home or car.

CEO BELIEVES

Burdensome fines and fees should be eliminated for those with an inability to pay.

\$9 BILLION

collected in fines and fees in 2020, including more than \$202 million in Pennsylvania alone.

**"...unjust imposition and enforcement of fines and fees violate the civil rights of adults and youth accused of felonies, misdemeanors, quasi-criminal ordinance violations, and civil infractions." -
- U.S. Department of Justice,
April 20, 2023**

SOLUTIONS

1. ELIMINATE FINES AND FEES ASSESSED BY COURTS IN THE CRIMINAL-LEGAL SYSTEM FOR THOSE WHO ARE UNABLE TO PAY (STATE)



The Commonwealth of Pa. Courts impose fines and fees on criminal defendants that can be an enormous barrier to their stability and economic mobility. These fines and fees—which include motion filing fees, booking center fees, firearm education and training fund fees, state and county court costs, judicial computer project fees, supervision fees, and many more—can trap individuals who are already extremely low-income and face barriers to employment due to their criminal records with expenses they cannot pay. In 2013, criminal defendants in Philadelphia County who were assigned public defenders were assessed a median amount of \$729 in court costs but were only able to pay \$91 of that amount by mid-2019. The Pa. General Assembly should pass legislation that prohibits assessing costs and that limits fines if the defendant is unable to pay, such as if they are currently or have recently been homeless, they qualify for assigned counsel or means-based public assistance, or can otherwise demonstrate an inability to pay due to extenuating circumstances. Pennsylvania should also eliminate back fines and fee debt for those unable to pay.



2. ELIMINATE CONSIDERATION OF BALANCE OF FINES AND FEES IN PARDON REQUESTS (STATE)



Pennsylvanians that are seeking pardons from the Pa. Board of Pardons must demonstrate their deservedness, such as showing positive changes to their lives since the offense and successful rehabilitation, impact on the victim, specific need for clemency such as to gain employment, as well as compliance with all court requirements including payment of all fines and costs. While there is not a blanket prohibition on the granting of a pardon if fines and costs are still owed, it is a strongly stated factor that may prevent even the worthiest of candidates from seeking or receiving a pardon if they are unable to pay. This places low-income Pennsylvanians at a significant disadvantage. The Board of Pardons should adopt a policy that unpaid fines and costs are not a factor in recommendations for clemency where the applicant lacks the ability to pay as evidenced by having been represented by assigned counsel, having their application prepared with pro bono assistance, being eligible for means-based public assistance, or any other circumstance that evidences an inability to pay.

3. EASE THE BURDEN OF CRIMINAL COURT DEBT FOR THE CRIMINAL-LEGAL SYSTEM-INVOLVED (CITY)



Low-income Philadelphians who have been involved with the criminal-legal system have fine and cost debt owed that they cannot afford to pay. This creates barriers to successful re-entry and exacerbates the risk of recidivism. Building off the lessons learned from the \$5 million investment in this work by the Kenney Administration in the FY24 budget, more must be done to reduce the burden of criminal court debt. One option would be to eliminate supervision fees for those who cannot afford to pay, as well as cancel already-accrued supervision fee debt. Another option is to eliminate the burdens of outstanding fine and cost debt, and the associated burdens in clearing that debt so that everyone who is otherwise eligible to have their record sealed, cleared, or expunged obtains that benefit regardless of their ability to pay. The City should continue to explore ways to expand the reach of these efforts with the First Judicial District and other partners.



PROTECT CONSUMERS FROM ABUSIVE PRACTICES AND GROW OPPORTUNITIES FOR FINANCIAL EMPOWERMENT



THE PROBLEM

A typical Black family's wealth is 1/10th of that of a white family's, and this racial wealth gap has persisted for more than 70 years. Institutional racism in lending, including denying people of color credit, or charging them more for it, has occurred for decades in the U.S. financial system, and persists today. Those with less wealth are often targets for scammers and abusive practices, further stripping what wealth they may have accumulated.

CEO BELIEVES

We must support the creation of prosperity through access to affordable financial products and services and protect consumers' wealth by stopping fraudulent activities and holding scammers accountable.



SOLUTIONS

1. **REDUCE THE NUMBER OF PEOPLE RECEIVING DEBT COLLECTION JUDGEMENTS AND REFORM MUNICIPAL COURT PROCESSES (COURTS, STATE)**



Each year, thousands of Philadelphians receive default judgments in debt-collection lawsuits. Some never received notice of the lawsuit, some were sued by debt-buyers who had not demonstrated that they owned the right to collect the debt, and some were pushed into so-called "Judgments by Agreement" by attorneys representing debt-buyers in a high-pressure court process. To mitigate debt collection judgments, Court processes and State rules must ensure that debt collectors own the debt on which they are collecting and that people are properly notified of the case being brought against them before a judgment can be entered. Defendants should also be provided legal representation to present meritorious defenses and negotiate equitable settlements where needed.

2. GROW FINANCIAL COUNSELING (CITY, STATE, FEDERAL)



The Financial Empowerment Centers (FECs) have helped low-income Philadelphians reduce their debt by over \$20 million, increase their savings by over \$4 million, and helped over 2,200 Philadelphians improve their credit scores by at least 35 points. This success has helped low-income Philadelphians increase their wealth by over \$6 for every dollar the City has spent on the Centers. The FECs can advance social and economic mobility for more Philadelphians with more investment to build capacity from philanthropy, local, state and federal government.



3. PROVIDE FREE CREDIT FREEZE, MONITORING, AFFORDABLE BANKING OPTIONS, AND FINANCIAL COUNSELING SERVICES FOR PEOPLE ENTERING INCARCERATION AND UPON RETURN TO THE COMMUNITY (CITY, STATE, FEDERAL)



According to the Pa. Department of Banking and Securities, 73% of “successful reentrants” had an account with a bank or credit union, but only 39% of unsuccessful reentrants did. People who are in jails and prisons become victims of fraud when unscrupulous individuals steal their identities to open credit accounts, take out loans, or sign up for phone service knowing that it may take months or years for the fraud to be detected while the individual is incarcerated. Upon their return, victims’ claims may not be taken seriously due to their criminal history, leading to unpaid debt and ruined credit that prevents them from getting housing and hurts job prospects. They may also struggle to open banking accounts due to a lack of proper identification. People entering incarceration should be offered a free credit report freeze to protect them from identity theft. Programs could be created in partnership with financial empowerment non-profits to connect individuals returning from incarceration to help them unfreeze their credit reports, open affordable banking accounts, and chart a path toward financial independence.

4. CANCEL STUDENT LOAN DEBT AND REFORM REPAYMENT RULES (FEDERAL)



A recent report from the Philadelphia Federal Reserve estimated that \$11.6 billion in student loan debt is owed by approximately 25.3% of Philadelphians—a higher percentage than other major cities. This same report showed that the highest rates of delinquency on that debt were in zip codes with high percentages of Black and Hispanic residents. Student loan debt affects the ability of Philadelphians to buy a home, start a business, and access other forms of credit, denying them opportunities for mobility and prosperity. Failure to pay loans also denies a person the opportunity to enroll in higher education, and students can be saddled with student loan debt even if they don't gain a degree. CEO joined Cities for Student Borrower Protection to be part of national efforts to push for federal reform of student loan and debt collection practices. In light of the Supreme Court’s decision to block President Biden’s plan to cancel up to \$20,000 of student loan debt, Congress should pass legislation for more sweeping student loan debt cancellation. In lieu of Congressional action, the President should continue to pursue the regulatory actions he can take to eliminate student loan debt.

5. INCREASE OPPORTUNITIES FOR RENTERS TO BUILD EQUITY (CITY, STATE, FEDERAL)



Renters that live in income-restricted rental units, such as public housing, those that use a Housing Choice Voucher, or in multi-family developments subsidized by project based rental assistance contracts with the U.S Department of Housing and Urban Development (HUD), typically pay 30% of their incomes on rent according to program formulas. As their incomes rise, they are penalized by rising rents. This makes it difficult for the tenant to build savings needed for emergencies, or for economic mobility opportunities such as education or entrepreneurship. The HUD report, [Building the Wealth Gap: An Agenda for Economic Justice and Asset Building for Renters](#), outlines strategies that affordable housing providers could adopt to help renters build assets such as the Family Self-Sufficiency (FSS) program. Under the FSS program, affordable housing providers capture the value of the rent increase and deposit it into a savings account for the tenant. A version of this program currently operates at the Philadelphia Housing Authority but is limited by available funding. Philadelphia, PHA, philanthropic partners, the Pennsylvania Housing Finance Agency (PHFA), and HUD should invest in opportunities to grow this program so that it is available to every tenant of a PHA or other HUD-subsidized multi-family property. We also support exploring and testing innovative asset-building models for families in Low-Income Housing Tax Credit units and other forms of subsidy where FSS is not currently available.

**\$11.6
BILLION**

in student loan debt owed by Philadelphians. The highest rates of delinquency on that debt were in zip codes with high percentages of Black and Hispanic residents.

STRENGTHEN COMMUNITY DEVELOPMENT AND COMMUNITY ACTION

THE PROBLEM

The condition of one's neighborhood has an enormous impact on outcomes related to health, education, safety, and economic opportunity. Far too many Philadelphians live in neighborhoods struggling with vacant properties, distressed buildings, and housing, lack of amenities such as shops, services, and restaurants, and with high crime. Community development corporations and community action agencies work hand-in-hand in these neighborhoods to improve conditions and opportunities for residents.

CEO BELIEVES

Every Philadelphian deserves to live in a great neighborhood with access to quality amenities, great public services, safe and affordable housing options, enjoyable green spaces, as well as excellent educational and economic opportunities.

SOLUTIONS

1. IMPROVE NEIGHBORHOOD CONDITIONS BY ENHANCING SUPPORT FOR PROMISE ZONES (FEDERAL)



The West Philadelphia Promise Zone (WPPZ) is one of 22 zones designated by President Obama in economically distressed tribal, rural, and urban communities. CEO is the coordinating entity for the WPPZ and works with more than 100 community partners to design and implement strategies to move residents into living-wage jobs, increase economic investment, expand educational opportunities, and re-imagine public safety. During the Trump Administration, support for the Promise Zones wavered, and the COVID pandemic also negatively impacted progress toward goals and activities in the zones. To leverage the transformational work on access to jobs, education, and safety that has occurred within these Promise Zones over the past eight years, the Biden Administration should provide Promise Zones access to the same preference points and non-monetary agency supports as their pre-2016 levels; provide technical assistance for Promise Zones and their partners' growth; and extend the Promise Zone designation by four years.



2. PASS THE COMMUNITY SERVICE BLOCK GRANT MODERNIZATION ACT (FEDERAL)



In 2021, the U.S. House passed HR 5129, the Community Services Block Grant (CSBG) Modernization Act, but the legislation was not voted on by the Senate before the end of the 117th Congress. The CSBG Modernization Act boosts the investment in CSBG to \$1 billion per year for the first five years; permanently requires that states adopt income eligibility of 200% Federal Poverty Level (FPL), up from 150% FPL in prior years, which would allow Community Action Agencies (CAAs) like CEO to serve more people deeply in need. The bill also creates a Community Action Innovations program to experiment with new, evidence-based approaches to lifting residents out of poverty, authorizes a Broadband Navigator Project, and contains other provisions that ensure timely grant awards and payments to eligible entities, strengthens planning, reporting, monitoring, public input, and oversight boards. The 118th Congress should re-introduce the legislation and work for its swift passage to continue and strengthen the work of CAAs. CEO also recommends updating language on CSBG eligibility to make clear that funds can be used to provide services to youth in public schools, schools in high-poverty areas, or those eligible for free lunch without requiring documentation on the student's full household eligibility for CSBG services.



3. INCREASE FUNDING FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (FEDERAL)



The Community Development Block Grant program (CDBG) provides flexible funding for cities like Philadelphia to invest in affordable housing development, repair, preservation, housing counseling services, and economic development including investment in small business corridors, cleaning and greening, and creating inviting public spaces. Except for a boost in funding due to the COVID emergency in the CARES Act, funding for CDBG has not kept pace with inflation for more than three decades. Congress should increase CDBG funding to compensate for the rising cost of construction labor and materials, wages for housing counselors, as well as the overwhelming need for more affordable home development and preservation.



Office of
Community Empowerment and Opportunity
CITY OF PHILADELPHIA

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